Generalized tariff preferences GSP: exclusion of South Korea, Hong Kong and Singapore

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OBJECTIVE: to exclude the most advanced beneficiary countries from entitlement to generalized tariff preferences, on the basis of objective and clearly defined criteria. SUBSTANCE: Article 6 of Regulations (EC) Nos 3281/94 and 1256/96 applying the system of generalized tariff preferences states that the most advanced beneficiary countries may be excluded from entitlement if their per capita gross national product exceeds 8210 USD, provided that their development index, calculated in accordance with the formula and figures contained in the abovementioned Regulations, is higher than -1. In view of these criteria, it would appear that South Korea, Hong Kong and Singapore have to be excluded from the GSP. The proposal is intended to exclude these countries from 1 January 1998. This course of action is based on two main principles: an objective, non-discriminatory approach (per capita income adjusted by the development index), and an overall approach which embraces the implications of all the other measures taken or due to be taken under the GSP at 1 January 1998. The withdrawal of GSP entitlement from these countries will not, however, affect their possibility of using products originating in their country under the regional cumulation mechanism applicable to regional groupings, if they are eligible for this mechanism.